

The Gazette

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Council cuts Duncan budget's spending — and taxes

by **Douglas Tallman**

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In the end, homeowners fuming over their property taxes won out over County Executive Douglas M. Duncan's fuming over budget cuts.

A unanimous County Council approved a \$3.6 billion budget, pruning Duncan's recommended budget and delaying some projects to pay for \$86 million in homeowner tax breaks.

The fiscal 2006 spending plan, which kicks in July 1, is the first in four

years that meets the so-called charter limit, which restricts increases in government spending.

"They said it couldn't be done. Hate to disappoint you, but we did it," said Councilman Michael L. Subin at Friday's session approving the budget. Technically, the budget gets formal approval Thursday, but the council has scheduled no budget actions.

Duncan, fulminating for weeks over the council's spending cuts, blasted the final package.

"The budget the Council is on the verge of passing is a setback to the progress we have made over the past decade to move Montgomery County forward and make our community the beacon of hope in Maryland," Duncan said in a statement released Thursday. "The Council's budget, with its program cuts, budget gimmicks and deferrals of expenses, only makes our job that much harder."

Council members took the attacks from the executive branch stoically.

"I hope we can get back on track

with Doug. He has so much to be proud of. I hope upon reflection you will see that," said Council President Thomas E. Perez (D-Dist. 5) of Takoma Park.

Duncan submitted his budget on March 15, boldly suggesting the county pay for the total requests from Montgomery County Public Schools, Montgomery College and the Maryland National Capital Park and Planning Commission.

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council members signified their support for a charter limit budget.

Council members trimmed \$54 million in spending requests and then found \$33.3 million in savings from the capital budget, including a \$6 million increase in borrowing to \$215 million.

Special taxes, fees and bonds typically finance the capital budget, which schedules large-scale projects. The council reassigned the funding sources for a series of projects that converted bonds into cash for tax relief.

Those accounting maneuvers drew harsh criticism from Duncan, who for weeks engaged in memorandum warfare in an attempt to sway the council.

"Borrowing money, with interest that will cost the taxpayers \$13 million, is bad public policy. It is credit card government and it sets a bad precedent. We can't operate the county on a credit card," read one Duncan missive.

Glenn Orlin, the council's deputy staff director, said the \$13 million includes \$6 million in principal and increases the county's debt service by \$650,000 a year, an increase of 0.3 percent.

To Councilman George L. Leventhal, time worked against Duncan during the months after his budget submission.

"The political climate shifted from the time he sent in his budget," said Leventhal (D-At large) of Takoma Park. Throughout the process, council members discussed the number of letters from homeowners whose own budgets were swamped by soaring property tax bills. For homeowners, property assessments increased by an average of 69 percent.

Early on, charter limit skeptics such as Leventhal said they did not believe the county could maintain its record of generous services and meet the charter cap. But as the weeks passed, Perez — in his first term and council president barely six months — worked behind the scenes to get a unanimous vote out of his council.

"It became clear to me that unanimous was important. It sends an important signal to the community where we are as a council, that we have met the test of moral leadership," Perez said.

Said Leventhal: "I'm comfortable with the services we are providing. I don't think we left needy people out in the cold."

Like Boo Radley lurking behind the bedroom door, a ballot question from November overshadowed the spring budget season. Question A, advocated by activist-gadfly Robin Ficker, would have removed the council's ability to exceed the charter limit, which restricts the growth in property tax collections to inflation plus new development.

Now, seven of nine council members can vote to exceed the cap.

The question failed before voters, but it has influenced council members in the months since.

"I think Question A was before us at every turn of the screw," Subin said.

cent increase over last year's budget.

• **4-cent cut in the property tax rate to about \$1.01 per \$100 of assessed value.**

• **\$116 tax credit for each owner-occupied home.**

• **Tax bill on a \$400,000 home should increase about \$100, or about 2.5 percent.** Without the rate cut and the rebate, the increase would have been about \$400.

• **\$1.71 billion goes to Montgomery County Public Schools.** The 7 percent increase includes money to expand full-day kindergarten, reduce class sizes and add assistant principals at 15 elementary schools.

• **\$76.3 million for Montgomery College,** a 7.6 percent increase.

• **\$109.7 million to the Maryland-National Capital Park and Planning Commission,** a 9 percent increase.

• **\$18 million more to the Montgomery County Police Department** to hire 34 more positions. The 11 percent increase boosts the department's officer complement to 1,140.

• **\$340,000 to increase staffing in county firehouses.**

• **\$5 million to "Montgomery Cares,"** which provides health care to the uninsured. The 150 percent increase means the program will add dental services.

• **\$441,000 so homeless women can continue to receive substance abuse treatment.**

• **\$5.1 million in grants to nonprofit agencies.**

• **\$6.9 million toward \$700 million of catalogued maintenance and repairs to streets, sidewalks, guard rails, etc.**

for county executive in 2006, claimed credit for the council's budget moves.

"But for the question I put on the ballot in 2004 and the announcement I would put down several questions in 2006, the council never would have considered sticking with the charter limit. And they can't be trusted to do so [in the future]," Ficker said.

To meet the charter limit, the council faced difficult choices compounded by a handful of Duncan decisions. For one, Duncan banked on \$12.1 million in extra-state education aid and \$2 million in highway user revenues that did not materialize. For another, he left out \$850,000 needed to pay for job reclassification

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tions in the Department of Correction and Rehabilitation.

"This is all about him sending us over something we had to fix," council spokesman Patrick Lacey said.

Police Chief J. Thomas Manger asked for 52 new police officers. The budget includes 34.

Montgomery County Public Schools had \$8.5 million pruned from its budget, including \$302,830 to reduce the number of teacher's aides and \$497,170 from an \$841,000 plan to add elementary school teachers.

"I just don't want people to say the school system didn't take any cuts," said Bonnie Cullison, president of the county teachers union.

The council also cut \$300,000 that would have given more teachers hand-held PDAs and software to follow student progress.

"What some people see as luxuries are really innovations in education and education practices," Cullison said.

About \$2 million was cut from M-NCPPC's budget, including \$750,000 to put artificial turf on five heavily used soccer fields.

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The council also reduced the budget request from the Department of Health and Human Services by about \$1 million, leaving nearly \$219.6 million, which represents a 5.3 percent increase over fiscal 2005.

Spared from the budget ax was a \$441,000 program to provide substance abuse services for homeless women.

"We would not have met the test of moral leadership if we had not funded that. I would not have been able to sleep with myself," Perez said.